

10-Year New Highway Construction Plan Fact Sheet

INDOT's Finances

- In January, the Daniels' administration discovered INDOT did not have enough money to build all of the new construction projects promised during previous administrations.
- Most new construction projects are at risk of not being built with existing funding streams.

Maintenance/New Construction

- INDOT invests \$500 million each year on projects to preserve the current highway system. These types of projects include highway resurfacing, road reconstruction and bridge rehabilitation. Over the next 10 years, INDOT expects to invest \$5.3 billion in preservation projects.
- \$250 million is devoted annually toward new construction, such as added travel lanes, bridge construction and interchanges.

New Prioritization System

- In May 2005, INDOT announced an initiative to prioritize new highway construction projects and recommend strategies to pay for the needed work. The program's goal is to create a 10-year list of new highway construction projects.
- INDOT's rating system is based on 11 critical criteria – including a project's potential for contributing to economic growth. INDOT's planning staff analyzed every highway project on the books. Each was rated and ranked based on this examination. Based on available data, the department produced a preliminary list of projects for the 10-year highway project plan.
- For the first time, during the summer of 2005, INDOT asked state legislators, businesses and citizens to rate proposed highway projects in their area based upon their economic development potential, ability to increase safety and enhance mobility. The results of the surveys were included the larger analysis of the state's transportation system.
- In August 2005, INDOT hosted 12 public meetings across the state to introduce the preliminary scores of approximately 200 new highway construction projects. Citizens learned more about how INDOT scores and prioritizes projects. Also, attendees asked questions about specific projects and provided further details to assist INDOT in refining its 10-year project list.
- In September 2005, Governor Daniels launched Major Moves: Creating a Top-Tier Economy Through Top-Tier Transportation. This fall, meetings with legislators, local officials and businesses will be conducted to outline steps necessary for the state to realize its transportation future.
- The program cannot become reality without additional funding and legislative action. INDOT will present funding alternatives for the state legislators to consider during the 2006 session of the General Assembly.

Indiana Toll Road Fact Sheet

Current Status

- The Indiana Toll Road no longer pays for itself. Funds currently cover operating expenses, but not road and bridge maintenance into the future. Also, added travel lanes and other major capital projects are being deferred.
- Tolls were last increased 20 years ago. The consumer price index (CPI) has grown 80 percent during this time period. The Toll Road's current rate schedule is significantly below that of neighboring states.
- The State of Indiana is proposing an increase in tolls that will be effective in the second quarter of 2006. The new proceeds will be used to:
 - Make improvements to the Toll Road (\$226 million)
 - Build additional state highway projects (\$344 million)
 - Provide grants to Northwest Regional Development Authority (\$100 million)
 - Issue grants to local communities in Toll Road counties (\$100 million)
- The State of Indiana will initiate a detailed analysis of the Toll Road's value and explore the possibility of leasing the highway to a private company.

History

- In 1951, the Indiana General Assembly passed legislation creating the Indiana Toll Road Commission.
- The Commission issued bonds for the construction of the Indiana Toll Road – which opened to traffic in late 1956.

Community Financial Support

- From 1985 to 1997, the Toll Road generated sufficient revenue to permit the State to provide funds to local communities, in the form of grants and loans, to assist with transportation improvement projects. The program was very popular, but had to be discontinued due to tightening budgets and a need to maintain the Toll Road.

Location and Ownership

- The 157-mile roadway spans northern Indiana from its border with Ohio to the Illinois state line – near Chicago.
- The Indiana Finance Authority (IFA) owns the highway. The Indiana Department of Transportation (INDOT) operates the facility for the IFA.
- The Toll Road relies on tolls paid by customers for bond payments, highway maintenance and construction, salaries and offices for Indiana State Police officers who patrol the highway and operating expenses (staff salaries, facility upkeep, etc.). No gas tax money or other state revenue is used for the Toll Road.

2004 Toll Road revenues show that 66 percent is derived from out-of-state vehicles, 18 percent from in-state cars and 16 percent from in-state trucks.

Creative Financing Approaches Fact Sheet

Status

- Governor Daniels proposes evaluating interest from the marketplace in:
 - A public private partnership to lease the Indiana Toll Road
 - A public private partnership to design, build and operate the I-69 extension from Evansville to Indianapolis

Examples

- This strategy has been used successfully elsewhere in the country to develop infrastructure.
 - 18 states have legislative approval for public-private partnerships
 - In Texas, the Texas Toll Way Authority has a \$700 million toll project for a 50-year concession to design, build, finance and operate State Highway 130
 - In San Diego, California, State Road 125 is scheduled for completion in July 2006 and has included \$900 million in private contributions.

Projects

- Indiana Toll Road
 - This would be similar to the long-term lease entered into by The City of Chicago for \$1.8 billion in 2004 for a company to run the Chicago Skyway.
 - The Indiana Finance Authority will issue a Request for Proposal to gauge interest in such an arrangement. Seek bids by January.
 - Such an arrangement would take full advantage of the toll road while the state retains ownership of the asset.
- I-69 Extension
 - Consideration of a public private partnership is a responsible way to make this project a reality
 - With traditional “pay-as-you-go” financing, construction could not begin until 2017 and be completed in 2035, with costs to the state of approximately \$2 billion.
 - If tolls were assessed between Indianapolis and Evansville, the state’s cost would be cut dramatically and the project timeline could be compressed for earlier start and completion.

With a public private design, build and operate system, costs and timelines could be compressed even further.

I-69: Evansville to Indianapolis Fact Sheet

Status

- As of January 2005, the planned construction start date was pegged at 2017, at the earliest, with completion as late as 2035. Governor Mitch Daniels found this to be unacceptable because of the importance this highway has to southwest Indiana and the state’s economy.

He directed INDOT to develop strategies to move the construction timeline forward so work can begin as soon as possible.

- The only way to make I-69 a reality in an acceptable timeframe is to construct it as a toll facility. In September 2005, the governor directed INDOT to pursue all steps necessary to accelerate the final alignment, identify state legislation necessary to create public-private partnerships and to research partnering options with companies experienced in financing, building and operating toll facilities.
- Two tolling options are under consideration. The first option utilizes state funds to design, construct and manage the highway – similar to the Indiana Toll Road. The second scenario is a public-private partnership. This method leverages private dollars to pay a portion of construction cost. A private company then builds, manages and operates the facility as a toll road. This technique, popular in other countries, is beginning to be utilized in the United States.

Numbers

- Route length: 142 miles
- Estimated cost: \$1.8 billion (includes environmental studies, design, land acquisition, construction)

Route History

- In the early 1940's, a direct highway connection from Evansville and Indianapolis was first explored.
- In 1991, the United State Congress designated Corridor 18, between Indiana and Texas, as part of the Intermodal Surface Transportation Efficiency Act.
- In the late 1990s, Congress determined that Corridor 18 would be a part of a national interstate highway system.
- In 2003, the State of Indiana approves Alternative 3C as the I-69 corridor between Evansville and Indianapolis.
- In March 2004, after further environmental studies, the Federal Highway Administration issues Record of Decision and approves "3C" alignment.

Project Goals

Nine project goals were developed in three categories:

- Support economic development in southwest Indiana
- Strengthen the transportation network in southwest Indiana
- Complete the portion of the national I-69 project between Evansville and Indianapolis

Studies

- In 1999, an Environmental Impact Study evaluated a wide range of I-69 highway corridors to link Evansville with Indianapolis. The study clearly indicated the alignment that met the project's purpose and need and provided the greatest benefit is State Road 37 to Bloomington with a new, direct connection to Evansville.

Currently, the highway is organized into six sections. Each is on its own timeline to complete environmental work and to determine the final highway alignment. All six sections are set to complete this work by summer 2007.

Major Moves to Get There: Recommended Funding Options

Funding / Saving Source	Estimated 10-Year Revenue
• Long-Term Lease of the Toll Road*	Greater than \$2.0 billion
• I-69 as a Toll Road *	\$700 million
• I-69 as a Public-Private Partnership & a Toll Road*	\$900 million - \$1.5 billion
• Saving Money Through Project Re-Design	\$400 million
• Indiana Toll Modernization	\$770 million
• Restructure Existing Transportation Debt	\$ 20 million
• Open Container Law	\$ 20 million
• Increase Special Permitting Fees	TBD
• Developer Contributions	TBD
• Asset Management Contracts	TBD
• Bad Driver Surcharge*	TBD
• Developer Impact Fees*	TBD

* Requires legislative action

Funding Options Explored But Not Currently Recommended

- Gasoline & Gasohol Tax Increase
- GARVEE Bonds
- Redirect 6% Sales Tax on Gas
- Dedicated Truck Lanes
- High Occupancy Toll (HOT) Lanes
- Weigh in Motion (WIM) Sensors in Highways for Enforcement or ESAL Based Tolls
- Counter-Cyclical Fuel Tax
- Dynamic Message Sign Sponsorship
- Excise Tax on Tobacco
- Excise Tax on Alcohol
- Billboard Tax
- Index Fuel Tax to CPI
- Increase Fuel Tax
- Redirect Funding from General Fund
- Charge Commercial Vehicles for Highway Damage
- Tax Increment Financing
- Sales Tax on Vehicles
- Transportation Funding Reform
- Toll for Ohio River Bridges
- Toll Pass System for Off-Highway Use